

WHY IS A BOND REQUIRED?

- A Bond is required for the following permit types: Demolition, Sediment Control, Grading, Paving, and Driveway. This is to insure completion of the work as specified in the Montgomery County Codes.

WHAT ARE THE DIFFERENT TYPES OF BONDS?

- There are four types of bonds:
 1. Performance Bond executed by the Insurance Company according to the forms provided by the County; which includes a Power-of-Attorney statement and a Certification form completed by the clerk of the Circuit Court (must be attached).
 2. Letter of Credit executed by the bank, in the form provided by the County.
 3. Cash Bonds may be posted in the form of cash, check, or money orders.
 4. Certificate of Guarantee obtainable by members of the Maryland Development of Guarantee Group (ONLY).

HOW IS THE BOND AMOUNT DETERMINE?

- For Demolition permits the bond amount is based on the estimated cost, the minimum being \$400.00.
- For Right-of-Way permits (excluding Short Term Road Occupancy and Revocable Permits) the bond amount is determined by the Department of Permitting Services using the “Bond Estimating Prices” list. This is a list of specific construction activity costs. The prices are an average based on surveys periodically taken from the constructing community (1 to 3 years).

WHEN SHOULD A BOND BE SUBMITTED?

- Department of Permitting Services determines the bond amount and notifies the applicant. When notification is received, the applicant submits bond prior to the issuance of the required permit.

HOW LONG IS THE BOND NEEDED?

- Department of Permitting Services requires that the bond be valid for the duration or life of the permit.

WHAT IS REQUIRED FOR SUBMITTING AND GETTING A BOND APPROVED?

In order to clarify procedures for completing application and bond forms the following checklist has been developed. Your corporation in the use of this guide will help expedite processing of bonds.

The numbered items correspond to numbers on the bond. (Information may be typed or printed and must be legible).

1. Full name of the person, persons, company, corporation or partnerships submitting an application for permit.
 - A. Application for a permit **MUST** be signed by the applicant. Names on the permit application and the bond must correspond.
 - B. If the applicant is a corporation, the person signing **MUST** hold the office of the president or vice-president. The signature is to be attested to be the secretary or assistant secretary. All signatures must have a printed or typewritten name beneath and indicate the title of the office held by the person signing the application.
 - C. The signature of an individual as permittee on a bond **MUST** have the word “SEAL” or “L.S.” immediately after the signature; this includes someone signing for a partnership, but not for a corporation.

D. Bonds from corporations MUST have a corporate seal.

2. Name of the insurance company preparing the bonding document.
3. State of which the insurance company resides.
4. The bond amount written out. Example: Two-Thousand-Three-Hundred (\$2,300.00).
5. Date must match the certificate date on the Power-of-Attorney.

General wording on the bond shall correspond to wording approved by the County Attorney's Office. Sample forms are available [here](#).

Both the bonding company and the power of attorney signing for the bonding company must be registered with the Montgomery County, Clerk of the Circuit Court.

CERTIFICATION LETTER NOTE:

In order to establish a more efficient and expeditious review process for bonds, the County Attorney's Office is now requiring that all bonds posted with the Department of Permitting Services must be accompanied by an attached certification letter. This letter should be completed by the applicant and presented, along with the bond at the Recording Department, Room 212, Judicial Center, 50 Maryland Avenue, Rockville, Maryland for signatures. This verifies for the County Attorney's Office that the bonding company and the attorney-in-fact who signed the bond are both registered with the Clerk of the Circuit Court. A sample certification letter can be downloaded [here](#).

After the certification letter has been acquired by the applicant, the permit application, bond, certification letter and permit fee can be presented by the applicant to the Department of Permitting Services.

WHAT HAPPENS IF NO WORK HAS STARTED AND I WANT TO CANCEL THE PERMIT?

Notify the Department of Permitting Services that the work has not started and that there is no intention on beginning work. The Department of Permitting Services will inspect the site, confirm that no work has begun, cancel the permit and return the bond.

WHAT HAPPENS IF WORK IS STARTED BUT NOT COMPLETED?

If the contractor/permittee is not willing or not able to complete the work, the Department of Permitting Services will seize the funds from the bond to complete the work.

WHEN WILL THE BOND BE RETURNED?

Contractor/permittee is required to call the Department of Permitting Services for final inspection. The Department of Permitting Services will release the bond after a final inspection has been completed and approved.

HOW QUICKLY WILL THE BOND BE RELEASED?

Bonds are released on an average of two (2) weeks. Processing time for release of bonds varies according to workload and complexity of the permit.